

RHODE ISLAND ECONOMIC DEVELOPMENT CORPORATION

MEETING OF DIRECTORS

PUBLIC SESSION

DECEMBER 17, 2012

The Board of Directors of the Rhode Island Economic Development Corporation (the “Corporation”) met on Monday, December 17, 2012, in Public Session, beginning at 5:00 P.M., at the offices of the Rhode Island Economic Development Corporation, located at 315 Iron Horse Way, Suite 101, Providence, Rhode Island, pursuant to notice of the meeting to all Directors, and public notice of the meeting, a copy of which is attached hereto as Exhibit A, as required by the By-Laws of the Corporation and applicable Rhode Island law.

The following Directors were present and participated throughout the meeting as indicated: Governor Lincoln D. Chafee, Ms. Cheryl Snead, Mr. Jack Templin, Mr. Jerauld Adams, Mr. Karl Wadensten, Mr. Stanley Weiss, and Mr. George Nee.

Directors absent were: Dr. David Dooley and Mr. Daniel Sullivan.

Also present were Deputy Director William J. Parsons, Thomas Carlotto, and René Pickett.

1. CALL TO ORDER AND OPENING REMARKS

Governor Chafee called the meeting to order at 5:06 P.M. indicating that a quorum was present.

2. APPROVAL OF THE MINUTES OF THE MEETING HELD ON NOVEMBER 29, 2012

Upon motion duly made by Mr. Weiss and seconded by Mr. Wadensten, the following vote was adopted:

VOTED: To approve the Public and Executive Session Minutes of the meeting of November 29, 2012, as submitted to the Board of Directors.

Voting in favor of the foregoing were: Ms. Cheryl Snead, Mr. Karl Wadensten, Mr. Stanley Weiss, and Mr. Jack Templin and Mr. George Nee.

Voting against the foregoing were: None.

Governor Chafee indicated that there would be a special ceremony to acknowledge Mr. Earl Queenan who is retiring from the Corporation after 36 years of service to the State of Rhode Island. Mr. Queenan expressed his thanks and stated it has been a pleasure for him to

serve this Board and this Governor and six other prior Governors. Mr. Parson indicated that Mr. Queenan would be greatly missed.

3. TO CONSIDER, AS MAY BE APPROPRIATE, MATTERS COVERED IN THE EXECUTIVE DIRECTOR'S REPORT.

Mr. Parsons indicated he wanted to update the Board on two specific matters in his Executive Director's report. See Exhibit B. First, that on December 3rd the first group of trainees reported to work at Tunstall AMAC, and on Friday December 14th the Corporation, Tunstall AMAC and the RI Department of Transportation ("DOT") hosted a job fair to secure more trainees to fill approximately 250 more jobs. Mr. Parsons acknowledged Mr. Riendeau for his work regarding this project.

Governor Chafee asked Mr. Riendeau what it was that brought the company to Pawtucket. Mr. Riendeau responded that several factors brought the company to Pawtucket, including that there is an availability of labor in Rhode Island, that the chosen real estate was priced right and that the chosen real estate was a previous call center with the appropriate equipment.

Mr. Parsons also noted that the employees are receiving job training through Community College of Rhode Island through the PACE program.

Mr. Jerauld Adams entered the meeting at 5:15 PM.

Mr. Parsons indicated he also wanted to give an update regarding the Hurricane Sandy loans. He noted that approximately 18 companies that were affected by the hurricane applied for loans, 7 loans have been reviewed of which 2 loans were approved for \$25,000 each at the December 13th Small Business Loan Fund (“SBLF”) board meeting. Mr. Queenan added that the other 5 reviewed loans would be reviewed at a special SBLF board meeting to not slow the process. He also noted that those loans are in the \$10,000-\$15,000 range.

Ms. Snead stated that her understanding was that because the amount of each loan was so low, they did not need to go before the SBLF board for review and staff could make the decision. Mr. Queenan responded that if the applicant does not meet certain guidelines, the SBLF board must review the loan for approval. Mr. Snead asked the Governor if she could make a recommendation that if the amount of any loan is less \$25,000 or less and the Corporation staff believes it is an appropriate loan request, then the staff have the ability, without prior SBLF board approval, to execute the loan. Mr. Queenan responded that the SBLF board has agreed to meet every two weeks to ensure that there is no delay associated with these loans.

4. TO CONSIDER AND APPROVE THE RENEWABLE ENERGY DEVELOPMENT FUND PROGRAM RULES AND REGULATIONS.

Governor Chafee introduced Hannah Morini to discuss the changes to the rules and regulations regarding the Renewable Energy Development Fund Program (“REDFP”) which are before the Board for approval. See Exhibit C. Ms. Morini explained that in Rhode Island there are energy efficiency programs run by National Grid at one end of the spectrum, and at the other end of the spectrum there are incentives for large scale renewable energy projects to receive funding through long term contracts. She continued to explain the new proposed process for REDFP. She explained that applications would be received by specific deadlines that have a rolling basis with complete applications reviewed by Renewable Energy Fund Advisory Board and all awards voted on by the Corporations’ Board of Directors. She explained that the REF Advisory Board provides another quality vetting process before it reaches the Corporation for approval.

Ms. Morini explained that there are three main program areas with different proposed project funding: (1) small-scale solar, (2) commercial development, and (3) predevelopment feasibility studies.

Mr. Adams asked if there are already existing rules for this before the Board for what is proposed going forward. Ms. Morini responded that this is almost a total replacement of the previous rules based on recent law changes as well as striving to make the REDFP more

transparent and focused on certain investments. Mr. Adams asked if there are certain types of restrictions on the renewable energy. Ms. Morini explained that all of the money in the Renewable Energy Development Fund comes from electric ratepayers and the technologies that are allowable are defined by state statute.

Ms. Snead asked what is the potential pipeline for these funds. Ms. Morini responded that she believes that the program will be very busy this year and she has already had a number of calls regarding the program. She continued that some of the direct investment projects will be available because of the alternative compliance payment which produced \$4.5 million from National Grid because it did not buy energy from other renewable energy sources. Mr. Queenan noted that there is about \$6.5 million available for projects now with more money to come into the fund.

Ms. Morini introduced the Administrator of the RI Office of Energy Resources Dr. Marion Gold. Dr. Gold stated that she had the pleasure of working with Ms. Morini while Ms. Morini was a student at the University of Rhode Island. She continued that the Office of Energy Resources in conjunction with Ms. Morini and the Corporation is working on a comprehensive energy plan to identify opportunities.

Mr. Wadensten asked where do people find out about these new programs? Ms. Morini responded that they will be available on the Corporation's website once approved.

Mr. Weiss asked where Rhode Island will be with the increasing Natural Gas trend. Dr. Gold responded that energy diversity is increasingly important because Rhode Island is small and not a gas producing state.

Upon motion duly made by Ms. Snead and seconded by Mr. Adams, the following vote was adopted:

VOTED: To approve the Renewable Energy Development Fund Rules and Regulations.

Voting in favor of the foregoing were: Mr. Jerauld Adams, Ms. Cheryl Snead, Mr. Karl Wadensten, Mr. Stanley Weiss, Mr. Jack Templin, and Mr. George Nee.

Voting against the foregoing were: None.

5. TO CONSIDER AND APPROVE THE CREATION OF A BOARD MEMBER TRAVEL POLICY AND TO CONSIDER AND APPROVE REIMBURSEMENT FOR THE CHAIRMAN'S RECENT BUSINESS TRIP TO FRANCE.

Governor Chafee noted that at the last meeting he suggested board members and the Governor make trips to encourage economic development. Governor Chafee continued that his recent Paris trip,

which cost approximately \$3,000, was paid for by the Commodores and he does not believe that is something for which they should have paid. Governor Chafee indicated that he would like the Board to approve a travel policy to encourage these important meetings.

Ms. Snead indicated that she is on the Board of Governors of the Commodores and that there was a lengthy discussion whether the Commodores would pay for the trip because it seemed like a Corporation responsibility, but the Commodores felt it was an important trip that needed to be made.

Mr. Parsons commented that if board members are doing Corporation business, they should be reimbursed by the Corporation.

Mr. Wadensten noted that if board members are aware of the travel, some of their connections are far reaching and it would be beneficial to coordinate efforts and create other concurrent opportunities for beneficial meetings.

Upon motion duly made by Mr. Wadensten and seconded by Ms. Snead, the following vote was adopted:

VOTED: To approve the creation of a Board Member travel policy.

Voting in favor of the foregoing were: Mr. Jerauld Adams, Ms. Cheryl Snead, Mr. Karl Wadensten, Mr. Stanley Weiss, Mr. Jack Templin, and Mr. George Nee.

Voting against the foregoing were: None.

Upon motion duly made by Mr. Wadensten and seconded by Mr. Weiss, the following vote was adopted:

VOTED: To approve reimbursement for the Chairman's recent business trip to France.

Voting in favor of the foregoing were: Mr. Jerauld Adams, Mr. Karl Wadensten, Mr. Stanley Weiss, Mr. Jack Templin, and Mr. George Nee.

Voting against the foregoing were: None.

Abstaining was: Ms. Cheryl Snead

6. TO RECEIVE AND DISCUSS A PRESENTATION RELATIVE TO SUSTAINABLE COMMUNITIES

Governor Chafee introduced Kevin Flynn to give a presentation regarding Sustainable Communities. See Exhibit D. Mr. Flynn explained that the Statewide Planning Program has existed since the 1960's and its purpose is to maintain the State Guide Plan. He noted that in 2006 the State passed a new land use plan, entitled "Land Use

2025.” See Exhibit E. Mr. Flynn explained where the land development currently stands and what the future vision for land development is based on the Land Use 2025 plan. Mr. Flynn explained that the vision is for an urban and rural distinction, concentrated development, conservation of open space and agricultural landscapes and excellence in community design.

He continued that the State pursued HUD funding and received a Sustainable Communities Regional Planning Grant receiving \$1.0 million from HUD over three years to develop a plan for sustainable development. He explained that these funds could be used to update the State’s economic development plans, the State’s housing plans and to assist the cities and towns to identify growth centers.

Mr. Templin asked when the HUD money was awarded. Mr. Flynn responded that it was awarded in late 2011, with the project commencing in February 2012.

Mr. Flynn noted that social equity is a very important part of the process, and they will be creating a Social Equity Advisory Committee and members will be paid. Mr. Flynn explained that there will be a three-year implementation process. He explained that year one will involve community engagement and RFP development, year two will involve development of plans, public participation and capacity building, and year three will involve plan adoption. He noted

that if the process is successful it will continue past the three-year period.

Mr. Adams asked if the State will be telling municipalities how to create their individual plans. Mr. Flynn responded that the Division of Planning comments on comprehensive plans all the time and it is a cooperative process, but if towns propose plans which are inconsistent with the State's Land Use Plan, the State must inform them.

Mr. Templin asked where Grow Smart Rhode Island fits in with this program. Mr. Flynn responded that it fits in very closely as a member of the governing consortium and Grow Smart has always been a partner on training city and town boards as to how to write a decision. He continued that he expects Grow Smart to be very involved in this process. Mr. Templin noted that the map showed during the presentation was a very powerful tool.

The Governor asked when are the meetings. Mr. Flynn responded that the Division of Planning meets with the Corporation, once per month every third Thursday, and the Sustainable Communities Consortium meets once per month also.

Mr. Wadensten asked how do we tie all these initiatives together and make it easier to do business in Rhode Island. Mr. Flynn responded that they will have a very good base of data by February 2013 which

can inform an economic development plan going forward.

Mr. Wadensten noted that he attended the dredging at Quonset and learned that the technology for dredging the channel was developed by a Rhode Island based company.

Governor Chafee indicated that he would entertain a motion to adjourn.

There being no further business in public session, the meeting was adjourned at 6:29 P.M., upon motion made by Ms. Snead and seconded by Mr. Weiss, which was unanimously approved.

Secretary